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12  
13 **UNITED STATES DISTRICT COURT**  
14 **CENTRAL DISTRICT OF CALIFORNIA**

15 JOEY P. BLANCHARD, on behalf of THE  
JOEY PRAKASH BLANCHARD TRUST  
16 u/t/d December 22, 1992 as Trustee and on  
behalf of all others similarly situated,

17 Plaintiff,

18 v.

19 NATIONSTAR MORTGAGE HOLDINGS,  
20 INC.; and NATIONSTAR MORTGAGE,  
LLC, doing business as MR. COOPER,

21 Defendants.  
22  
23  
24

Case No. 2:19-cv-00935

**CLASS ACTION COMPLAINT**  
**(JURY TRIAL DEMANDED)**

**CLASS ACTION COMPLAINT**

1 On behalf of The Joey Prakash Blanchard Trust, under declaration of trust dated  
2 December 22, 1992, as Trustee and on behalf of all others similarly situated, Plaintiff  
3 Joey P. Blanchard complains and alleges as follows based on personal knowledge as  
4 to herself, on the investigation of her counsel, and on information and belief as to all  
5 other matters. Plaintiff believes that substantial evidentiary support will exist for the  
6 allegations set forth in this complaint, after a reasonable opportunity for discovery.

7 **NATURE OF ACTION**

8 1. Plaintiff brings this Class Action Complaint against Nationstar Mortgage  
9 Holdings, Inc. and Nationstar Mortgage, LLC, doing business as “Mr. Cooper,” and  
10 their present, former, and future direct and indirect parent companies, subsidiaries,  
11 affiliates, agents, and assigns (collectively, “Nationstar”), to redress a long list of  
12 unlawful mortgage servicing practices in which Nationstar has engaged over the past  
13 four years at the expense of Plaintiff and numerous other borrowers.

14 2. At all times between February 7, 2015 and the present, Nationstar  
15 promised its borrowers that it would refund any overpayments inadvertently made in  
16 the course of discharging a loan, and that it would only obtain force-placed insurance  
17 for a collateralized property if the borrower failed to obtain the requisite property  
18 insurance.

19 3. Notwithstanding Nationstar’s contractually-imposed obligations to refund  
20 any overpayments to the borrower after a loan is discharged and to refrain from  
21 charging borrowers for unnecessary force-placed insurance, over the past four years  
22 Nationstar has systematically billed borrowers – without refund – for the same monthly  
23 interest payment multiple times, for accrued interest on already-discharged loans, for  
24

1 “late fees” in connection with payments that were not even late, and for force-placed  
2 insurance on properties that already were adequately insured.

3 4. These business practices are not only oppressive — they are also plainly  
4 illegal. It’s time for Nationstar to return, with interest, the millions upon millions of  
5 dollars it has unlawfully collected from and refused to refund to its customers, and to  
6 face additional consequences, both remedial and punitive, for having engaged in these  
7 wrongful acts.

8 5. Accordingly, as a result of Nationstar’s contractual breaches, unjust  
9 enrichment, and other wrongful practices, Plaintiff seeks monetary damages, including  
10 actual, compensatory, consequential, and punitive damages, as well as injunctive and  
11 declaratory relief, to the fullest extent permitted by law, for herself and all other  
12 similarly-situated borrowers who comprise the proposed classes defined below.

### 13 **JURISDICTION AND VENUE**

14 6. Personal jurisdiction and venue are proper in this district because  
15 Plaintiff’s claims arise in substantial part from contractual documents that expressly  
16 require “any suit, action or proceeding arising out of or relating to the Agreement” to  
17 be brought in “any Federal or state court sitting in California,” and further require that  
18 the parties submit themselves to personal jurisdiction in California. Personal  
19 jurisdiction and venue are also proper in this district because Plaintiff resides in this  
20 district, because the real property used by Plaintiff to secure the mortgage at issue in  
21 this case is located in this district, and because Nationstar does substantial business in  
22 this district.

7. The Court has subject-matter jurisdiction over this action pursuant to the Class Action Fairness Act of 2005, 28 U.S.C. §§ 1332(d)(2) & (6), because the claims of the members of the proposed classes exceed \$5 million in the aggregate, exclusive of interest and costs; because each of the proposed classes is comprised of at least one-hundred (100) members; and because at least one of the members of each of the proposed classes is a citizen of a different state than Nationstar. As of June 30, 2017, Nationstar maintained a loan origination and servicing portfolio of approximately \$500 billion and more than 3 million customers.<sup>1</sup> Plaintiff is informed and believes, and thereupon alleges, that the wrongful business practices alleged herein were employed by Nationstar to improperly assess fees, interest, and other charges of the nature alleged herein to a substantial percentage of its customer base during the period of February 7, 2015 through the present.

### **PARTIES**

8. Plaintiff Joey P. Blanchard, Trustee of The Joey Prakash Blanchard Trust, is, and at all times relevant hereto was, a citizen and resident of Los Angeles, California.

9. Defendant Nationstar Mortgage Holdings, Inc. and Defendant Nationstar Mortgage LLC, doing business as “Mr. Cooper,” are Delaware corporations that maintain their principal places of business in Dallas, Texas. Defendant Nationstar Mortgage LLC, doing business as “Mr. Cooper,” is the operating entity of Defendant Nationstar Mortgage Holdings, Inc. Defendants Nationstar Mortgage Holdings, Inc.

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<sup>1</sup> Ben Lane, *Nationstar posts net loss of \$20 million, but the news is better than it seems*, Housing Wire, Aug. 3, 2017, available at <https://www.housingwire.com/articles/40914-nationstar-posts-net-loss-of-20-million-but-the-news-is-better-than-it-seems> (last accessed Feb. 3, 2019).

1 and Nationstar Mortgage LLC, doing business as “Mr. Cooper,” are referred to herein  
2 collectively as “Nationstar.” Nationstar provides servicing, origination, and other  
3 financial and lending services relating primarily to single-family residences throughout  
4 the United States.

5 10. Nonparty Velocity Commercial Capital, LLC (“Velocity”), a California  
6 limited liability company, is a residential mortgage lender that operates throughout the  
7 United States.

8 11. Nonparty Seneca Mortgage Servicing LLC (“Seneca”), a Washington  
9 limited liability company, provides servicing, origination and other financial and  
10 lending services related to residential properties throughout the United States. Seneca  
11 acts as, *inter alia*, collection agent for mortgage lenders, and acted at times as collection  
12 agent of Velocity with respect to the loan Plaintiff received from Velocity, as alleged  
13 below.

#### 14 **BACKGROUND FACTS**

15 12. Nationstar funded over \$19 billion in mortgage loans in the year that  
16 ended on December 31, 2017, making it the twentieth-largest mortgage loan originator  
17 in the United States. Occasionally Nationstar sells its underlying mortgage loans on  
18 the secondary market, but in such cases generally retains the post-sale servicing rights  
19 on the sold loans.

20 13. Nationstar is also the largest non-bank residential mortgage servicer (and  
21 the third-largest servicer of residential mortgages generally) in the United States.  
22 Nationstar services over three million mortgages that, as of December 31, 2017, had  
23 unpaid principal balances totaling over \$500 billion in the aggregate (\$175 billion of  
24

1 which was booked in 2017). On the mortgage-servicing side, Nationstar’s customers  
2 include government-sponsored entities such as the Federal National Mortgage  
3 Association (“Fannie Mae”) and the Federal Home Loan Mortgage Corp. (“Freddie  
4 Mac”), as well as other entities that own mortgage servicing rights, which Nationstar  
5 subservices.

6 14. In December 2017, the California Department of Business Oversight  
7 (“CDBO”) reached a \$9.2 million settlement with Nationstar to resolve allegations that  
8 the company had “overcharged borrowers and failed to properly investigate consumer  
9 complaints.”<sup>2</sup> The CDBO’s investigation found that, since 2009, Nationstar routinely  
10 violated the statutory limits on per diem interest and recording fee charges, accepted  
11 “unlawful” referral fees from third-party settlement service providers in violation of  
12 California law, and “lacked appropriate policies and procedures to conduct a  
13 reasonable investigation of complaints involving errors that arose with a prior servicer”  
14 (even though California law requires that servicers like Nationstar conduct a  
15 “reasonable investigation” when a borrower levies a complaint about alleged servicing  
16 errors).<sup>3</sup>

17 15. In August 2017, during the course of the CDBO’s investigation,  
18 Nationstar transitioned to its new name, “Mr. Cooper” — a rebranding which the  
19 company described as “a representation of our total commitment to transforming the  
20 customer experience” and indicative of “the progress we’ve made through key strategic

21 <sup>2</sup> Ben Lane, *Nationstar (aka Mr. Cooper) reaches \$9.2m mortgage servicing*  
22 *settlement with California*, Housing Wire, Dec. 4, 2017, available at  
[https://www.housingwire.com/articles/42008-nationstar-aka-mr-cooper-reaches-92m-](https://www.housingwire.com/articles/42008-nationstar-aka-mr-cooper-reaches-92m-mortgage-servicing-settlement-with-california)  
mortgage-servicing-settlement-with-california (last accessed Feb. 3, 2019).

23 <sup>3</sup> See *id.*  
24

1 investments and cultural and institutional changes.”<sup>4</sup> In reality, nothing could have  
2 been further from the truth.

3 16. Notwithstanding the company’s efforts to rebrand itself to “Mr. Cooper,”  
4 and the “numerous steps” it claims to have implemented to “ensure these errors will  
5 not happen again,” Nationstar’s improper billing practices have continued unabated,  
6 on a larger scale than ever before.

7 17. Plaintiff brings this action to put a stop to Nationstar’s unlawful mortgage  
8 lending and servicing practices and to recover the ill-begotten gains Nationstar has  
9 collected from unsuspecting borrowers over the past four years.

### 10 SUBSTANTIVE ALLEGATIONS

11 18. In August 2014, Plaintiff received a loan from Velocity secured by real  
12 residential property in Los Angeles, California, pursuant to a “Note” and “Loan  
13 Agreement” that Plaintiff had entered into with Velocity (collectively, the “Loan  
14 Documents”). The loan Plaintiff received from Velocity in August 2014 is referred to  
15 herein as the “Loan.”<sup>5</sup>

16 19. The Loan Documents governing the Loan were subsequently transferred  
17 to Seneca, either directly by Velocity or through another entity acting as an  
18 intermediary.

19  
20  
21 <sup>4</sup> *Id.*; *see also id.* (“We look forward to continuing to evolve as a company with a  
22 customer-centric culture of compliance and innovation.”).

23 <sup>5</sup> *See* “Semi-Annual Adjustable Term Note” dated Aug. 11, 2014 (the “Note”  
24 pertaining to the Loan), a copy of which is attached hereto as **Exhibit A**; “Loan  
Agreement” dated Aug. 11, 2014 (the “Loan Agreement” pertaining to the Loan), a  
copy of which is attached hereto as **Exhibit B**.

1           20. On or about October 21, 2016, Seneca transferred the Loan Documents  
2 governing the Loan to Nationstar, thereby assigning all of the lender's rights and  
3 obligations under the Loan to Nationstar.

4           21. Thus, from on or about October 21, 2016 through the present, and at all  
5 times material to this action, Plaintiff's relationship with Nationstar with respect to the  
6 Loan has been governed by the Loan Documents entered into between Plaintiff and  
7 Velocity, the rights and obligations of which were ultimately transferred and assigned  
8 to Nationstar, via Seneca and/or another entity acting as an intermediary.

9           22. On or about October 18, 2017, Plaintiff paid Nationstar the full payoff  
10 amount that Nationstar had demanded to discharge the Loan in a payoff statement  
11 provided to Plaintiff on or about October 5, 2017.

12           23. Between on or about October 21, 2016 and the date on which Plaintiff  
13 discharged the Loan, Nationstar collected all of Plaintiff's mortgage loan payments for  
14 the Loan, as well as thousands of dollars of additional payments made by Plaintiff to,  
15 *inter alia*, fund an escrow account for the Loan.

16           24. Unbeknownst to Plaintiff at the time, the monthly mortgage payments she  
17 made to Nationstar for the Loan included substantial premiums for force-placed  
18 insurance that Nationstar obtained for Plaintiff's property that secured the Loan,  
19 despite the fact that Plaintiff already had obtained the requisite insurance for the  
20 property.

21           25. Additionally, the final payoff amounts demanded by Nationstar for the  
22 Loan included charges for unaccrued, post-payoff interest; a nearly four-thousand-  
23 dollar monthly mortgage charge that Plaintiff had already paid; and a "late fee"



1 attributable to a mortgage payment for the month of September 2017 that was timely  
2 made.

3 26. To date, Nationstar has failed to refund any of these unlawfully-assessed  
4 fees, interest, or other charges, as set forth in further detail below.<sup>6</sup>

5 **I. Nationstar Charges the Same Monthly Interest Payment to Plaintiff and**  
6 **Numerous Other Borrowers Multiple Times**

7 27. Unremarkably, the Loan Documents make clear that Plaintiff and every  
8 other borrower was required to pay to Nationstar each of the “consecutive monthly  
9 installments of principal and interest” that become due on a mortgage loan only one  
10 time.

11 28. Specifically, the Loan Documents governing the Loan provide, in  
12 pertinent part, that Plaintiff “shall pay consecutive monthly installments of principal  
13 and interest as follows: \$4,082.91 commencing on October 1, 2014, and the same  
14 amount (except the last installment which shall be the unpaid balance) on the 1st day  
15 of each month thereafter” — “payable at the Lender’s main office or at such other place  
16 as the lender may designate in writing in immediately available funds in lawful money  
17 of the United States of America without set-off, deduction or counterclaim.” Ex. A at  
18 1 (Note for the Loan) (emphasis added).

19 29. Notwithstanding the foregoing contractual provisions, between February  
20 7, 2015 and the present Nationstar has routinely billed borrowers twice for the same

21 <sup>6</sup> Plaintiff sent several letters to Nationstar’s headquarters in Dallas, Texas,  
22 including without limitation on August 17, 2018 and October 16, 2018, to inform the  
23 company that Plaintiff intended to take legal action if Nationstar failed promptly to  
24 remedy, *inter alia*, the aforementioned interest overcharges, force-placed insurance  
fees, and erroneous “late fee” resulting from a timely-made monthly mortgage  
payment. In response, Nationstar sent Plaintiff several non-responsive or otherwise  
evasive letters, and still has not provided a cogent explanation for any of the issues  
raised by Plaintiff.

1 monthly interest payment, without refunding the duplicate payment or even deducting  
2 the amount of the duplicative charge from the loan's outstanding balance.

3 30. For instance, on October 10, 2017 and then again on October 18, 2017,  
4 Nationstar collected from Plaintiff the same monthly interest payment for the same  
5 month, pertaining to the same Loan.

6 31. When Plaintiff demanded that Nationstar refund the duplicative payment  
7 made by Plaintiff on October 18, 2017, Nationstar refused to do so.

8 32. By charging Plaintiff twice for the interest that accrued on the Loan during  
9 a single month, Nationstar breached the Loan Documents, including the provisions  
10 cited above in paragraphs 27-28, damaging Plaintiff in the amount of the duplicative  
11 payment that Plaintiff remitted to Nationstar on October 18, 2017.

12 33. Between February 7, 2015 and the present, Nationstar has likewise billed  
13 numerous other borrowers twice for a single month's interest payment and has failed  
14 to refund the duplicative payment to the borrower or reduce the outstanding balance of  
15 the borrower's loan by the amount of the duplicative payment.

16 **II. To Discharge a Loan, Nationstar Forces the Borrower to Pay, Without**  
17 **Reimbursement, Per Diem Interest for Each Day of the Payoff Month,**  
18 **Including for Days on Which an Interest-Bearing Principal Balance no**  
**Longer Even Exists**

19 34. The Loan Documents for the Loan provide, in pertinent part, that Plaintiff  
20 will pay "the principal amount . . . on or before . . . the 'Maturity Date' . . . together  
21 with interest from the date hereof on the unpaid principal balance from time to time  
22 outstanding until paid in full." Ex. A at 1 (Note for the Loan) (emphasis added).

23 35. The Loan Documents further provide that "[i]nterest shall be calculated  
24 monthly on the basis of a 360-day year based on twelve (12) thirty (30) day months

1 except that interest due and payable for a period of less than a full month shall be  
2 calculated by multiplying the actual number of days elapsed in such period by a daily  
3 rate based on said 360-day year.” *Id.* at 1 (Note for the Loan) (emphasis added).

4       36. Notwithstanding the foregoing contractual provisions, at the time a loan  
5 is paid off Nationstar charges the borrower for the amount of interest that would have  
6 accrued on the loan during the entire payoff month — regardless of the day of the  
7 month on which the payoff is actually made. In other words, a borrower who pays off  
8 a loan on the first day of a month will be charged the same amount of interest for that  
9 month as a borrower who pays off a loan on the last day of the same month. Moreover,  
10 Nationstar fails to reimburse borrowers for the per diem interest they are forced to pay  
11 for days of the month that fall after their loan’s discharge. Nationstar charges and  
12 refuses to refund these bogus interest payments to borrowers despite the fact that, upon  
13 the loan’s discharge, there is no remaining principal balance from which interest could  
14 possibly accrue.

15       37. On October 18, 2017, Nationstar received payment from Plaintiff for the  
16 full payoff amount for the Loan, a figure that Nationstar had provided to Plaintiff on  
17 October 5, 2018 and had represented as being “good through” October 31, 2017. The  
18 reason the figure quoted on October 5, 2017 was “good through” October 31, 2017 was  
19 because the figure included, *inter alia*, one final payment of interest computed as the  
20 amount of interest that would have accrued from the unpaid principal over the entire  
21 month, had Loan 379’s entire balance not been paid in full on day 18. But the Loan  
22 had been paid in full on October 18, 2017, and was thus not capable of generating  
23 interest between October 19 and 31, 2017.

1        38. By collecting payment for interest on the Loan for the period of October  
2 1, 2017 through October 31, 2017 — and by not reimbursing the October 19, 2017  
3 through October 31, 2017 portion of that payment after the Loan had been paid in full  
4 on October 18, 2017 — Nationstar breached the Loan Documents, including the  
5 provisions cited above in paragraphs 34-35.

6        39. Nationstar's breaches of the Loan Documents caused Plaintiff monetary  
7 damages, in an amount equal to the per diem interest (computed based on a 360-day  
8 year) that would have accrued on the Loan for the thirteen (13) days between October  
9 19, 2017 and October 31, 2017.

10        40. Between February 7, 2015 and the present, Nationstar has likewise billed  
11 unaccrued, post-payoff interest to numerous other borrowers and has failed to refund  
12 the payments borrowers have made for such unaccrued interest.

13        **III. Nationstar Billed Plaintiff and Other Borrowers Late Fees for Payments**  
14        **that Were Timely Made**

15        41. Nationstar also routinely charges borrowers late fees as a result of monthly  
16 mortgage payments that are timely made.

17        42. On September 12, 2017, pursuant to the Loan Documents, Nationstar sent  
18 Plaintiff a monthly statement pertaining to the Loan, which stated that a monthly  
19 payment of \$4,911.89 was "due" on October 1, 2017 and that "[i]f payment is received  
20 on or after 10/17/2017, a \$218.66 late fee will be charged." A copy of the monthly  
21 statement for the Loan dated September 12, 2017 is attached hereto as **Exhibit C**.

22        43. On October 10, 2017, pursuant to the Loan Documents, Plaintiff remitted  
23 a monthly mortgage payment for the Loan to Nationstar in the amount of \$4,911.89,  
24

1 which was sent via an Automatic Clearing House (“ACH”) auto payment from  
2 Plaintiff’s bank account.

3 44. In a letter dated October 26, 2018, a copy of which is attached hereto as  
4 **Exhibit D**, Nationstar expressly acknowledged that Plaintiff’s payment of \$4,911.89  
5 had been received by Nationstar on October 10, 2017. *See* Ex. D at 1.

6 45. Thus, Plaintiff’s mortgage payment for the Loan for the month of  
7 September 2017, as demanded by Nationstar in a monthly statement dated September  
8 12, 2017, was received by Nationstar a full week in advance of the date such payment  
9 was due.

10 46. Nonetheless, as reflected in a payoff statement for the Loan dated October  
11 18, 2017, Nationstar charged Plaintiff a late fee in the amount of \$218.66 as a result of  
12 Plaintiff’s payment on October 10, 2017, even though such payment was made seven  
13 (7) days in advance of the deadline by which Nationstar advised Plaintiff that she must  
14 remit payment to avoid the imposition of such a \$218.66 late fee.

15 47. By assessing Plaintiff a “late fee” as a result of a monthly mortgage  
16 payment that was timely made by Plaintiff and timely received by Nationstar,  
17 Nationstar breached the Loan Documents, causing Plaintiff damages of \$218.66, the  
18 amount of the improperly-assessed “late fee.”

19 48. Between February 7, 2015 and the present, Nationstar has likewise  
20 assessed “late fees” to numerous other borrowers as a result of monthly mortgage  
21 payments that were made by the borrower and received by Nationstar in advance of the  
22 due dates for such payments.

**IV. Nationstar Places Forced Insurance on the Real Property Used by Plaintiff and Numerous Other Borrowers to Secure Mortgage Loans**

49. Additionally, from February 7, 2015 through the present, Nationstar has force placed insurance on numerous properties used by borrowers to secure the mortgage loans that Nationstar owns and/or services, causing substantial harm to Plaintiff and the other similarly-situated persons she seeks to represent.

50. Generally speaking, mortgage lenders and servicers force place insurance when a borrower fails to obtain or maintain proper hazard, flood, or wind insurance coverage on the property that secures a loan. Under the typical mortgage agreement, if the insurance policy lapses or provides insufficient coverage, the lender has the right to “force place” a new policy on the property and then charge the premiums to the borrower.

51. However, some mortgage lenders and servicers, including Nationstar, employ various force-placed insurance schemes to take advantage of the broad discretion purportedly afforded to them in their standard form mortgage agreements, including by placing unnecessary insurance on the properties of borrowers. For instance, although force-placed insurance is designed to merely protect the lender’s interest in the property that secures the loan, lenders and servicers, including Nationstar, often purchase coverage from their exclusive insurers in excess of what is required to cover their own risk, including where the borrower has already obtained hazard insurance for the property. Moreover, borrowers who for whatever reason have stopped paying for insurance or are deemed, in Nationstar’s complete and sole discretion, to be under insured on mortgaged property are charged hyperinflated and

1 illegitimate noncompetitive amounts for force-placed insurance. These charges are  
 2 inflated to include undisclosed kickbacks to Nationstar and/or its partners and affiliates.

3 52. The actions and practices of Nationstar in force placing insurance on  
 4 properties of borrowers when they are not permitted to do so are unconscionable and  
 5 undertaken in bad faith with the sole objective to maximize profits.

6 53. The Loan Documents which govern the Loan provide, in pertinent part:

7 3.8 **Insurance.** Borrower will maintain in force property  
 8 and casualty insurance on any property of the Borrower, if  
 9 any, against risks customarily insured against by companies  
 10 engaged in businesses similar to that of the Borrower  
 11 containing such terms and written by such companies as may  
 12 be satisfactory to the Lender, such insurance to be payable to  
 13 the Lender as its interest may appear in the event of loss and  
 14 to name the Lender as insured pursuant to a standard loss  
payee clause; no loss shall be adjusted thereunder without the  
Lender's approval; and all such policies shall provide that  
they may not be canceled without first giving at least Thirty  
(30) days written notice of cancellation to the Lender. In the  
event that the Borrower fails to provide evidence of such  
insurance, the Lender may, at its option, secure such  
insurance and charge the cost thereof the Borrower. . . .

15 Ex. B at 4-5 (Loan Agreement for Loan) (emphasis added).

16 54. At all times material to this action, including at all times from October 21,  
 17 2016 through the date on which the Loan was discharged, Plaintiff maintained "in force  
 18 property and casualty insurance," *i.e.*, hazard insurance policies, with State Farm  
 19 Insurance Company on the real property that secured the Loan, in compliance with all  
 20 of the provisions set forth in Section 3.8 of the Loan Documents governing the Loan,  
 21 quoted above.

22 55. At all times material to this action, including at all times from October 21,  
 23 2016 through the date on which the Loan was discharged, Plaintiff had provided  
 24

1 Nationstar evidence, thereby putting Nationstar on actual notice, that Plaintiff  
2 maintained an insurance policy with State Farm Insurance Company on the real  
3 property that secured the Loan. Such insurance policy sufficiently complied with the  
4 obligations imposed upon Plaintiff by Section 3.8 of the Loan Documents.

5 56. Nationstar nonetheless force placed hazard insurance on Plaintiff's real  
6 property that secured the Loan, to the tune of thousands of dollars in premiums charged  
7 to the escrow account that Plaintiff had funded for the Loan.

8 57. At no time did Nationstar or any force-placed insurer retained by or  
9 otherwise partnered with Nationstar disclose to Plaintiff that the fees charged by  
10 Nationstar to the Loan's escrow account were used primarily to cover unnecessary and  
11 excessive force-placed hazard insurance, kickbacks to Nationstar, or any of the other  
12 impermissible charges described in this Complaint.

13 58. Plaintiff does not challenge Nationstar's right to force place insurance  
14 where the borrower fails to insure the property in a manner sufficient to protect  
15 Nationstar's interest in the property. Rather, Plaintiff challenges Nationstar's  
16 manipulation of the force-placed insurance market with an eye toward artificially  
17 inflating premiums and placing unnecessary coverage that Nationstar purchases from  
18 its partner insurance companies and then wrongfully charges to borrowers, including  
19 where, as here, the borrower already obtained hazard insurance for the property. This  
20 action is brought in part to put an end to Nationstar's collusive arrangements with the  
21 force-placed insurance companies with whom it has partnered, and to recover for  
22 Plaintiff and other similarly-situated borrowers the excess amounts they have been  
23 charged beyond the true cost of any necessary insurance coverage that was lacking.



59. There are no material differences between Nationstar's actions and practices in forcibly placing hazard insurance on Plaintiff's property used to secure the Loan and its actions and practices in forcibly placing hazard insurance on the collateralized properties belonging to the other similarly-situated borrowers who comprise the Force-Placed Insurance Class defined below.

### **CLASS ACTION ALLEGATIONS**

60. Plaintiff brings this action on behalf of four classes of persons pursuant to Federal Rule of Civil Procedure 23.

61. To redress and put a stop to Nationstar's practices of billing borrowers for a single monthly interest charge multiple times, Plaintiff brings this action on behalf of herself and the following class (hereinafter, the "Double-Billed Class") pursuant to Federal Rule of Civil Procedure 23:

All individuals in the United States who, at any time between February 7, 2015 and the present, (i) entered into a mortgage loan; (ii) in connection with that mortgage loan made monthly payments to Nationstar in the amount demanded by Nationstar; (iii) in connection with that mortgage loan paid to Nationstar a monthly interest charge; (iv) after timely paying in full that monthly interest charge received from Nationstar a successive demand for payment of the same, previously-paid monthly interest charge (*i.e.*, pertaining to the same month of the same year of the same loan); and (v) paid the full amount demanded by Nationstar for that previously-paid monthly interest charge, without reimbursement.

62. To redress and put a stop to Nationstar's practices of charging per diem interest to borrowers after their loans have been paid in full, Plaintiff brings this action on behalf of herself and the following class (hereinafter, the "Post-Payoff Interest Payment Class") pursuant to Federal Rule of Civil Procedure 23:

1 All individuals in the United States who, at any time between  
 2 February 7, 2015 and the present, (i) entered into a mortgage  
 3 loan; (ii) in connection with that mortgage loan made  
 4 monthly payments to Nationstar to cover the amount of  
 5 interest accrued from the outstanding balance of that loan;  
 6 (iii) discharged the loan by remitting to Nationstar a payoff  
 amount calculated by Nationstar to include per diem interest  
 for the full payoff month; and (iv) did not receive  
 reimbursement from Nationstar for money paid to cover per  
 diem interest for days that fell after the loan's discharge.

63. Plaintiff brings this action to redress Nationstar's practices of assessing  
 late fees on mortgage payments that are timely made, on behalf of herself and the  
 following class (hereinafter, the "Late-Fee Class") pursuant to Federal Rule of Civil  
 Procedure 23:

11 All individuals in the United States who, at any time between  
 12 February 7, 2015 and the present, (i) entered into a mortgage  
 13 loan; (ii) in connection with that mortgage loan remitted a  
 14 monthly mortgage payment to Nationstar that was received  
 15 by Nationstar on or before the payment-receipt deadline that  
 16 the borrower was required to meet in order to avoid incurring  
 a late fee (as set forth in the monthly mortgage statement  
 provided by Nationstar); (iii) in connection with that monthly  
 payment incurred a "late fee"; and (iv) either paid Nationstar  
 the amount charged for that "late fee" without reimbursement  
 or was charged but has not yet paid Nationstar the "late fee."

64. To redress Nationstar's practices of purchasing insurance for collateral  
 property at inflated prices, Plaintiff brings this action on behalf of herself and the  
 following class (hereinafter, the "Force-Placed Insurance Class") pursuant to Federal  
 Rule of Civil Procedure 23:

21 All borrowers in the United States who, from February 7,  
 22 2015 to the present, (i) had an outstanding mortgage loan; (ii)  
 23 in connection with that mortgage loan were charged by  
 24 Nationstar under a hazard, flood, flood gap or wind-only  
 insurance policy issued by an insurance company retained by  
 Nationstar for residential property; and (iii) either paid to

1 Nationstar the “net premium”<sup>7</sup> for that insurance policy or  
2 did not pay and still owe Nationstar the “net premium” for  
that insurance policy.

3 65. The aforementioned classes of persons are referred to at times herein  
4 collectively as the “Classes.” The time frame of February 7, 2015 through the  
5 present — the applicable period of time for each of the Classes — is referred to herein  
6 as the “Class Period.”

7 66. Excluded from the Classes are Nationstar and its subsidiaries, parents,  
8 affiliates, joint venturers, and any entity in which Nationstar has or had a controlling  
9 interest, as well as Nationstar’s officers and directors and the immediate families of  
10 Nationstar’s officers and directors.

11 67. Plaintiff reserves her right under Rule 23 of the Federal Rules of Civil  
12 Procedure to amend or modify the definitions of the Classes and to include additional  
13 classes or subclasses, as appropriate after the completion of necessary discovery.

14 68. This action has been brought and may properly be maintained as a class  
15 action against Nationstar pursuant to Federal Rule of Civil Procedure 23.

16 69. Numerosity. The members of the proposed Classes are so numerous that  
17 their individual joinder is impracticable. The number of mortgages held or serviced by  
18 Nationstar is in the tens of thousands, which is a reflection of the numerosity of the  
19 proposed Classes in this action. Inasmuch as the members of the proposed Classes may  
20 be identified through business records regularly maintained by Nationstar and its  
21 employees and agents, the number and identities of members of the Classes can be

22  
23 <sup>7</sup> “Net premium” means the amount of premium charged to a borrower for a  
24 hazard, flood, flood gap, or wind-only insurance policy issued by an insurance  
company retained by Nationstar for residential property from February 7, 2015 to the  
present, less any refund paid or credited to the borrower during that period of time.

1 ascertained. Members of the proposed Classes can be notified of the pending action by  
2 e-mail and mail, and notice can be supplemented by publication, if necessary.

3 70. Existence and Predominance of Common Question of Law and Fact. Rule  
4 23(a)(2). There are questions of law and fact common to the Classes. These questions  
5 predominate over any questions affecting only individual members of the proposed  
6 Classes. These common legal and factual issues include, but are not limited to:

- 7 a. Whether Nationstar systematically breached its contractual  
8 obligations imposed by the documents governing Plaintiff's loans  
9 and the loans of the members of the Classes by double billing for  
10 entire months of interest, charging for interest accrued after the date  
11 of a loan's discharge, charging late fees as a result of monthly  
12 payments that are timely made, and charging fees for unnecessary  
13 force-placed insurance;
- 14 b. Whether Nationstar has been unjustly enriched by its illegal  
15 conduct;
- 16 c. Whether Nationstar must provide damages, restitution and/or  
17 reimbursement to borrowers based on the causes of action asserted  
18 herein; and
- 19 d. Whether declaratory and/or injunctive relief is appropriate to  
20 prohibit Nationstar from engaging in this conduct in the future.

21 71. Typicality. Rule 23(a)(3). The claims of the representative Plaintiff are  
22 typical of the claims of each member of the proposed Classes. Plaintiff, like all other  
23 members of the proposed Classes, has been damaged by Nationstar's unlawful conduct  
24

1 as alleged herein. The representative Plaintiff and members of the proposed Classes  
2 were and are similarly or identically harmed by the same unlawful, deceptive, unfair,  
3 systematic, and pervasive pattern of misconduct engaged in by Nationstar.

4 72. Adequacy. Rule 23(a)(4). The representative Plaintiff will fairly and  
5 adequately represent and protect the interests of the Classes and has retained counsel  
6 who are experienced and competent trial lawyers in complex litigation and class action  
7 litigation. There are no material conflicts between the claims of the representative  
8 Plaintiff and the members of the proposed Classes that would make class certification  
9 inappropriate. Counsel for the Class will vigorously assert the claims of all members  
10 of the proposed Classes.

11 73. In addition to meeting the prerequisites of a class action, this action is  
12 properly maintained as a class action pursuant to Rule 23(b) of the Federal Rules of  
13 Civil Procedure, in that:

14 a. Without class certification and determination of declaratory,  
15 injunctive, statutory and other legal questions within the class  
16 format, prosecution of separate actions by individual members of  
17 the Classes will create the risk of:

18 i. inconsistent or varying adjudications with respect to  
19 individual members of the Classes which would establish  
20 incompatible standards of conduct for the parties opposing  
21 the Classes; or

22 ii. adjudication with respect to individual members of the  
23 Classes which would as a practical matter be dispositive of  
24

1 the interests of the other members not parties to the  
2 adjudication or substantially impair or impede their ability to  
3 protect their interests;

4 b. the parties opposing the Classes have acted or refused to act on  
5 grounds generally applicable to each member of the Class, thereby  
6 making appropriate final injunctive or corresponding declaratory  
7 relief with respect to each of the Classes as a whole; or

8 c. common questions of law and fact exist as to the members of the  
9 Classes and predominate over any questions affecting only  
10 individual members, and a class action is superior to other available  
11 methods of the fair and efficient adjudication of the controversy,  
12 including consideration of:

13 i. the interests of the members of the Classes in individually  
14 controlling the prosecution or defense of separate actions;

15 ii. the extent and nature of any litigation concerning controversy  
16 already commenced by or against members of the Classes;

17 iii. the desirability or undesirability of concentrating the litigation  
18 of the claims in the particular forum; and

19 iv. the difficulties likely to be encountered in the management  
20 of a class action.

21 74. Injunctive and Declaratory Relief Pursuant to Rule 23(b)(2). Nationstar's  
22 actions alleged herein are uniform as to members of the proposed Classes. Nationstar  
23 has acted or refused to act on grounds that apply generally to the Classes so that final  
24

1 injunctive and declaratory relief as requested herein is appropriate with respect to each  
2 of the Classes as a whole.

3       75. Predominance and Superiority of a Class Action Pursuant to Rule  
4 23(b)(3). This suit may be maintained as a class action because questions of law and  
5 fact common to the Classes predominate over the questions affecting only individual  
6 members of the proposed Classes and because a class action is superior to other  
7 available means for the fair and efficient adjudication of this dispute. The damages  
8 suffered by individual members of the proposed Classes are small compared to the  
9 burden and expense of individual prosecution of the complex and extensive litigation  
10 needed to address Nationstar's conduct. Further, it would be virtually impossible for  
11 the members of the proposed Classes to individually redress effectively the wrongs  
12 done to them. In addition, individualized litigation increases the delay and expense to  
13 all parties and to the court system resulting from complex legal and factual issues of  
14 the case. Individualized litigation also presents a potential for inconsistent or  
15 contradictory judgments. By contrast, the class action device presents far fewer  
16 management difficulties, allows the hearing of claims which might otherwise go  
17 unaddressed because of the relative expense of bringing individual lawsuits, and  
18 provides the benefits of single adjudication, economies of scale, and comprehensive  
19 supervision by a single court.

20       76. Plaintiff believes that notice will eventually be issued to the members of  
21 the Classes setting forth the subject and nature of the instant action. Nationstar's own  
22 business records and electronically-store information will be sufficient to effectuate the  
23 contemplated notice.

**FIRST CAUSE OF ACTION**  
**Breach of Contract**  
**(On behalf of Plaintiff and the Double-Billed Class)**

77. Plaintiff repeats and realleges the allegations set forth above as though fully set forth herein.

78. Plaintiff contracted for mortgage lending services on the terms set forth in the Loan Documents (*i.e.*, the “Note” and “Loan Agreement” governing the Loan) that Plaintiff and Velocity entered into on August 11, 2014, the rights and obligations of which were subsequently assigned to Nationstar on October 21, 2016, via Seneca and/or other intermediary entities.

79. Like Plaintiff, each member of the Double-Billed Class contracted for mortgage lending services with Nationstar directly or with another entity that subsequently assigned the pertinent mortgage loan to Nationstar (or to another predecessor entity which in turn assigned the pertinent mortgage loan to Nationstar), on the same or substantially the same terms as set forth in the Loan Documents that Plaintiff and Velocity entered into on August 11, 2014.

80. In plain, clear, and simple language, in the Loan Documents and other governing loan-related documentation in effect between February 7, 2015 and the present between Nationstar and Plaintiff (and others similarly situated), Nationstar promised Plaintiff and all other Double-Billed Class members that it would refund any overpayments made by the borrower in the course of paying off his or her loan in full.

81. Nationstar breached the express terms of the Loan Documents and other governing loan-related documentation in effect between February 7, 2015 and the present by charging Plaintiff and members of the Double-Billed Class twice for a single



1 month's interest payment, without refunding the duplicate interest payment to Plaintiff  
2 or the other Double-Billed Class members, or even deducting the amount of the  
3 duplicative charge from the principal balances of the pertinent loans taken out by  
4 Plaintiff and the Double-Billed Class members.

5 82. Specifically, Nationstar breached its contractual promises to Plaintiff by  
6 billing and collecting from Plaintiff two monthly interest payments, for the same  
7 month, pertaining to the same mortgage loan (the Loan) — first on October 10, 2017  
8 and then again on October 18, 2017 — and by refusing to reimburse the duplicate  
9 payment made by Plaintiff on October 18, 2017. As a result of Nationstar's contractual  
10 breach, Plaintiff suffered monetary damages in the amount of the duplicative,  
11 unreimbursed monthly interest payment made by Plaintiff on October 18, 2017.

12 83. Between February 7, 2015 and the present, Nationstar has likewise billed  
13 each member of the Double-Billed Class twice for a single month's interest and failed  
14 to refund the borrower for the duplicative payment.

15 84. At no time between February 7, 2015 and the present did any contractual  
16 provision exist authorizing Nationstar to bill Plaintiff or any of the other Double-Billed  
17 Class members twice for a single month's interest without issuing a refund to the  
18 borrower for the duplicative payment.

19 85. Plaintiff and members of the Double-Billed Class have performed all or  
20 substantially all of the obligations imposed on them under the Loan Documents and  
21 any other governing loan-related documentation in effect between February 7, 2015  
22 and the present.



1 all other Post-Payoff Interest Class members that it would refund any overpayments  
2 made by the borrower in the course of paying off his or her loan in full.

3 91. Nationstar breached the express terms of the Loan Documents and other  
4 loan-related documentation in effect between February 7, 2015 and the present when,  
5 in connection with mid-month payoffs of loans made by Plaintiff and the Post-Payoff  
6 Interest Class members, it charged Plaintiff and the Post-Payoff Interest Class members  
7 for the full amount of interest that would have accrued on the loan over the entire month  
8 in which the payoff was made (even though the loan had been paid off in full prior to  
9 the last day of the month and, as such, no interest-bearing principal balance even  
10 existed for the post-payoff period of the month).

11 92. Specifically, Nationstar breached its contractual promises to Plaintiff  
12 when it charged and, on October 18, 2017 (eighteen (18) days into the month),  
13 collected from Plaintiff a payoff amount for the Loan that Nationstar had computed to  
14 include the full amount of interest that would have accrued on the unpaid principal of  
15 the loan over the entire 31-day month, and then failed to reimburse Plaintiff the money  
16 she had paid to cover interest for the remaining thirteen (13) post-payoff days of the  
17 month — days for which interest obviously did not accrue. As a result of Nationstar's  
18 contractual breach, Plaintiff suffered damages equating to the amount of interest that  
19 would have accrued, had the loan not been discharged, over the course of October 19,  
20 2017 through October 31, 2017, at the rate fixed by the Loan Documents.

21 93. Between February 7, 2015 and the present, Nationstar similarly billed to  
22 each member of the Post-Payoff Interest Payment Class a final payoff amount  
23 computed to include the total amount of interest that would have accrued on the  
24

1 pertinent loan over the entire month in which the payoff was made, collected payment  
2 from each member of the Post-Payoff Interest Payment Class for the full payoff amount  
3 made in the middle of the month (*i.e.*, prior to the final day of the month), and failed  
4 to reimburse the members of the Post-Payoff Interest Payment Class for the unaccrued  
5 interest they paid to Nationstar for the remaining, post-payoff days of the month.

6 94. At no time between February 7, 2015 and the present did any contractual  
7 provision exist authorizing Nationstar to bill Plaintiff or any other Post-Payoff Interest  
8 Class member for unaccrued post-payoff interest without issuing a refund to the  
9 borrower for the amount of such unaccrued interest charged by Nationstar and paid by  
10 the borrower.

11 95. Plaintiff and members of the Post-Payoff Interest Class have performed  
12 all or substantially all of the obligations imposed on them under the Loan Documents  
13 and any other governing loan-related documentation in effect between February 7,  
14 2015 and the present.

15 96. Plaintiff and members of the Post-Payoff Interest Class sustained  
16 monetary damages as a result of Nationstar's collection of and failure to reimburse  
17 payments for unaccrued interest in breach of the Loan Documents and other governing  
18 loan-related documentation in effect between February 7, 2015 and the present.

19 **THIRD CAUSE OF ACTION**  
20 **Breach of Contract**  
**(On behalf of Plaintiff and the Late-Fee Class)**

21 97. Plaintiff repeats and realleges the allegations of paragraphs 1-76 set forth  
22 above as though fully set forth herein.

1           98. Plaintiff contracted for mortgage lending services on the terms set forth  
2 in the Loan Documents (*i.e.*, the “Note” and “Loan Agreement” governing the Loan)  
3 that Plaintiff and Velocity entered into on August 11, 2014, the rights and obligations  
4 of which were subsequently assigned to Nationstar on October 21, 2016, via Seneca  
5 and/or other intermediary entities.

6           99. Like Plaintiff, each member of the Late-Fee Class contracted for mortgage  
7 lending services with Nationstar directly or with another entity that subsequently  
8 assigned the pertinent mortgage loan to Nationstar (or to another predecessor entity  
9 which in turn assigned the pertinent mortgage loan to Nationstar), on the same or  
10 substantially the same terms as set forth in the Loan Documents that Plaintiff and  
11 Velocity entered into on August 11, 2014.

12           100. In plain, clear, and simple language, in the Loan Documents and related  
13 account documentation in effect between February 7, 2015 and the present between  
14 Nationstar and Plaintiff and others similarly situated, Nationstar promised Plaintiff and  
15 all other Late-Fee Class members that it would refund any overpayments made by the  
16 borrower in the course of paying off his or her loan in full.

17           101. Nationstar breached the express terms of the Loan Documents and other  
18 loan-related documentation in effect between February 7, 2015 and the present by  
19 charging (and failing to refund) Plaintiff and the Late-Fee Class members a “late fee”  
20 as a result of a monthly mortgage payment that was remitted to and received by  
21 Nationstar on or in advance of the corresponding payment deadline specified by  
22 Nationstar in the pertinent monthly mortgage statement.

1           102. Specifically, by assessing to and collecting from Plaintiff a “late fee” as a  
2 result of a monthly mortgage payment that was timely made by Plaintiff and received  
3 by Nationstar on October 10, 2017, Nationstar breached the Loan Agreement, causing  
4 Plaintiff to suffer damages of \$218.66, the amount of the improperly-assessed “late  
5 fee.”

6           103. Between February 7, 2015 and the present, Nationstar likewise assessed  
7 “late fees” to numerous other borrowers as a result of monthly mortgage payments that  
8 were made by the borrower and received by Nationstar in advance of the due dates for  
9 such payments, and has failed to issue refunds to the Late-Fee Class members as a  
10 result of their payment of such late fees.

11           104. At no time between February 7, 2015 and the present did any contractual  
12 provision exist authorizing Nationstar to assess to Plaintiff or any other Late-Fee Class  
13 member a “late fee” as a result of a timely-made monthly mortgage payment.

14           105. Plaintiff and the members of the Late-Fee Class have performed all or  
15 substantially all of the obligations imposed on them under the Loan Documents and  
16 any other governing loan-related documentation in effect between February 7, 2015  
17 and the present.

18           106. Plaintiff and members of the Late-Fee Class sustained monetary damages  
19 as a result of Nationstar’s collection of and failure to reimburse improperly-assessed  
20 “late fees” in breach of the Loan Documents and other governing loan-related  
21 documentation in effect between February 7, 2015 and the present.

**FOURTH CAUSE OF ACTION**  
**Breach of Contract**  
**(On behalf of Plaintiff and the Force-Placed Insurance Class)**

107. Plaintiff repeats and realleges the allegations of paragraphs 1-76 set forth above as though fully set forth herein.

108. Plaintiff and all similarly situated members of the Force-Placed Insurance Class have mortgages that are serviced and/or owned by Nationstar.

109. Plaintiff's mortgage loans and the mortgage loans of the members of the Force-Placed Insurance Class were and/or are written on uniform mortgage forms and contain substantially similar provisions regarding force-placed insurance requirements and its placement by Nationstar. The force-placed provision from Plaintiff's mortgages is set forth above in paragraph 53.

110. The Loan Documents required Plaintiff to maintain insurance on her properties and provided that if she failed to do so, then the servicer or lender would be permitted to obtain insurance coverage to protect its interest in the property or properties, "force place" the coverage, and charge the borrower (*e.g.*, Plaintiff) the cost.

111. Nationstar breached Plaintiff's and the Force-Placed Insurance Class members' mortgage agreements by charging Plaintiff and the Force-Placed Insurance Class members for excess and unnecessary force-placed insurance coverage, as such coverage did not and does not protect Nationstar's rights in their collateral or cover their risk. Indeed, at all times material hereto, Plaintiff and the Force-Placed Insurance Class members were overcharged for insurance force placed by Nationstar.

112. Nationstar breached the Loan Documents and any other governing loan-related documentation by, among other things, charging Plaintiff and Force-Placed

1 Insurance Class members unnecessary force-placed insurance costs. Specifically,  
2 Nationstar charged Plaintiff and numerous other borrowers amounts for force-placed  
3 insurance that included unearned “commissions” or kickbacks and other impermissible  
4 costs. These expenses were not costs of coverage and were not applied to protecting  
5 Nationstar’s rights or risk in the collateral for Plaintiff’s Loan or the mortgage loans of  
6 the members of the Force-Placed Insurance Class.

7 113. Plaintiffs and the Force-Placed Insurance Class members have suffered  
8 damages as a result of the Nationstar’s breaches of contract.

9 **FIFTH CAUSE OF ACTION**  
10 **Breach of Implied Covenant of Good Faith and Fair Dealing**  
11 **(On behalf of Plaintiff and the Force-Placed Insurance Class)**

12 114. Plaintiff repeats and realleges the allegations of paragraphs 1-76 set forth  
13 above as though fully set forth herein.

14 115. A covenant of good faith and fair dealing is implied in every contract and  
15 imposes upon each party a duty of good faith and fair dealing in its performance.  
16 Common law calls for substantial compliance with the spirit, not just the letter, of a  
17 contract in its performance.

18 116. Where an agreement affords one party the power to make a discretionary  
19 decision without defined standards, the duty to act in good faith limits that party’s  
20 ability to act capriciously to contravene the reasonable contractual expectations of the  
21 other party.

22 117. The Loan Documents and other governing loan-related documentation  
23 allow Nationstar to force place insurance coverage on Plaintiff and the other Force-  
24



1 Placed Insurance Class members in the event of a lapse in coverage, but these contracts  
2 fail to define standards for selecting an insurer or procuring an insurance policy.

3 118. Thus, the Loan Documents and other governing loan-related  
4 documentation afford Nationstar substantial discretion in force-placing insurance  
5 coverage. These contractual documents purportedly permit Nationstar to unilaterally  
6 choose the company from which it purchases force-placed insurance and negotiate any  
7 price for the coverage it procures. Originators and/or servicers like Nationstar have an  
8 obligation to exercise the discretion afforded it in good faith, and not capriciously or in  
9 bad faith. Plaintiff does not seek to vary the express terms of the mortgage contract,  
10 but rather seeks to insure that Nationstar exercises any discretion to which it is entitled  
11 in good faith.

12 119. Nationstar breached the implied covenant of good faith and fair dealing  
13 by, among other things:

14 a. Manipulating the force-placed insurance market by selecting  
15 insurers that artificially inflated and continue to artificially inflate  
16 premiums to include kickbacks to Nationstar or its affiliates and  
17 issue excess insurance coverage not necessary to cover Nationstar's  
18 risk, and by contracting to create "back room" deals whereby  
19 insurance coverage is routinely purchased from its partner insurers  
20 without seeking a competitive price;

21 b. Exercising its discretion to choose an insurance policy in bad faith  
22 and in contravention of the parties' reasonable expectations,  
23  
24

1 including by purposefully selecting force-placed insurance policies  
2 with artificially inflated premiums to maximize its own profits;

3 c. Assessing inflated and unnecessary insurance policy charges  
4 against Plaintiff and the Force-Placed Insurance Class members and  
5 misrepresenting the reasons for the cost of the policies;

6 d. Allowing Nationstar or its affiliates to collect a percentage of the  
7 amounts charged to Plaintiff and the Force-Placed Insurance Class  
8 members as a kickback and not passing that percentage on to the  
9 borrower, thereby creating the incentive to seek the highest-priced  
10 force-placed policies possible;

11 e. Force placing insurance coverage in excess of what is required by  
12 law or the mortgage agreements entered into by Plaintiff and the  
13 Force-Placed Insurance Class members; and

14 f. Force placing insurance coverage in excess of that required to cover  
15 the servicer's or lender's interest in Plaintiff's and the Force-Placed  
16 Insurance Class members' properties, or the balance owed on  
17 Plaintiff's and the Force-Placed Insurance Class members' loans.

18 120. As a direct, proximate, and legal result of the aforementioned breaches of  
19 the covenant of good faith and fair dealing, Plaintiff and the Force-Placed Insurance  
20 Class members have suffered damages.

**PRAYER FOR RELIEF**

Wherefore, Plaintiff respectfully requests that the Court grant the following relief against Nationstar:

A. Certification of this action as a class action as defined herein, and appointing Plaintiff and her counsel of record to represent the proposed Classes defined herein;

B. Declarations that Nationstar breached its contracts with and the duties of good faith and fair dealing that it owed to Plaintiff and members of the proposed Classes, by charging Plaintiff and members of the Double-Billed Class twice for the same monthly mortgage payment; assessing unearned, post-payoff interest to Plaintiff and members of the Post-Payoff Interest Payment Class; assessing late fees to Plaintiff and members of the Late-Fee Class for monthly mortgage payments that were timely made; and imposing force-placed insurance policies on, and assessing the associated insurance premiums to, Plaintiff and members of the Force-Placed Insurance Class;

C. As a result of Nationstar's breaches of contract, violations of its duties of good faith and fair dealing, an order requiring that Nationstar:

i. Disgorge all profits by which Nationstar has been unjustly enriched as a result of its unlawful practices at the expense of Plaintiff and the members of the Double-Billed Class, Post-Payoff Interest Payment Class, Late-Fee Class, and Force-Placed Insurance Class; and

ii. Compensate Plaintiff and the members of the Double-Billed Class, Post-Payoff Interest Payment Class, Late-Fee Class, and Force-

Placed Insurance Class for all damages incurred as a result of  
Nationstar's unlawful practices;

D. An order awarding damages pursuant to the causes of action alleged  
herein, as may be applicable;

E. An order awarding reasonable attorneys' fees and costs;

F. An order awarding prejudgment interest to the extent allowed by law; and

G. An order providing such other and further relief as the Court deems  
appropriate.

**DEMAND FOR JURY TRIAL**

Plaintiff, on behalf of herself and the Classes, hereby demands a trial by jury  
pursuant to Federal Rule of Civil Procedure 38(b) on all claims so triable.

Dated: February 7, 2019

Respectfully submitted,

By: /s/ Tina Wolfson

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